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Substantive session for 1996

PROVISIONAL SUMMARY RECORD OF THE 30th MEETING

Held at Headquarters, New York,
on Thursday, 11 July 1996, at 10 a.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

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Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, Office of Conference and Support Services, room DC2-794, 2 United Nations Plaza.

96-80920 (E)

In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 10.15 a.m.

NEW AND INNOVATIVE IDEAS FOR GENERATING FUNDS (E/1996/CRP.1 and E/CN.17/1996/28)

The PRESIDENT invited the Council to begin the general segment and suggested that, in keeping with the procedure followed during the previous year, and, without prejudice to the right of any member State or observer to speak on any subject, there should be no general debate.

Mr. ACUÑA (Costa Rica), speaking on behalf of the Group of 77 and China, said that, while the conference room paper (E/1996/CRP.1) prepared by the secretariat contained interesting ideas for generating funds, the "new" ideas were not innovative, in the sense that they stood little chance of being accepted by Member States, and the "innovative" ideas were not new, as they had been the subject of much discussion elsewhere.

Although foreign direct investments had risen dramatically, two thirds of those investments had gone to only eight developing countries. It was therefore clear that foreign direct investment was no substitute for adequate, well-targeted and efficiently utilized development assistance, particularly since, without the means to create an enabling environment, it was impossible for developing countries to attract foreign investment. The international community could not abandon official development assistance (ODA) as the principal means of promoting multilateral development cooperation, not only because there was no universally acceptable alternative, but because it symbolized the commitment of the industrialized countries to genuine partnership with the developing countries.

New and innovative sources of funds should therefore be viewed as a supplement to and not a replacement for ODA and should form part of a larger process of mobilizing additional resources for development cooperation. Developed countries should honour their commitments to reach an ODA level of 0.7 per cent of GNP and no new proposal to generate additional resources to

cover the shortfall in ODA should shift the financial burden to developing countries.

Existing levels of ODA should therefore be utilized efficiently in order to yield maximum benefits to donor and recipient countries alike. Recognition of the need to make better use of existing resources did not mean, however, that the countries on whose behalf he spoke were resigned to the current inadequate levels of ODA. Improved utilization of resources must be linked to a concerted effort to increase their availability.

The PRESIDENT observed that the representative of the Group of 77 had referred to issues which were not included in the conference room paper. He recalled that in its decision 1996/210 on new and innovative ideas for generating funds, the Council had itself provided the secretariat with guidelines on what should be included in the paper.

Ms. BROWNE (Ireland), speaking on behalf of the European Union, expressed disappointment at the Council's failure to arrange a technical briefing for interested delegations on the subject under consideration, and pointed out that the conference room paper should have been more sharply focused. The item under discussion should be kept separate from the examination of the financing of the United Nations regular and peace-keeping budgets and any new funding generated should be complementary to ODA.

Members of the Council might find it helpful if a small, independent advisory group of diversified internationally recognized experts could be established, within existing resources and supplemented by voluntary contributions, to prepare a report on the feasibility of the ideas presented, their possible contribution to the effective implementation of globally agreed priorities, and possible modalities as well as costs and benefits of their implementation. The group should take into account the ongoing work of the Commission on Sustainable Development, UNDP, the Bretton Woods institutions and other organizations.

Mr. MARRERO (United States of America) noted that the conference room paper had failed to mention the conclusion drawn by the Ford Foundation in a 1993 report, namely, that the system of assessed and voluntary contributions provided the most logical and appropriate means of financing the United Nations, as it encouraged Member Governments to maintain proper control over the Organization's budget and agenda. That did not, however, preclude Member States

from making voluntary contributions to United Nations activities under agreed arrangements.

The United States would have no objection in principle to fees being charged for services that were generic to the missions of such agencies as the International Telecommunication Union (ITU) and the World Intellectual Property Organization (WIPO) where those arrangements helped to fulfil specific private sector needs. Certain other ideas, such as the idea for a United Nations credit card, merited further study.

One area that should not be considered, however, involved international taxation schemes. The United Nations did not currently have the authority to impose or collect any form of tax and the United States would never consent to any proposal to grant it such authority. Some of the other proposals for alternative financing also appeared to be wholly inappropriate for consideration by the Council.

The primary source of significantly increased funding for economic development in any country was private sector investment. While ODA had stagnated at a level of about $59 billion for the past two years, foreign direct investment in developing countries had risen from $55 billion in 1992 to an estimated $150 billion in 1995. The key to economic growth lay in creating the climate necessary to foster private investment and to ensure its use in the best interests of a country's prospects for sustainable development.

Ms. McNISH (Jamaica) noted that a chasm existed between international commitments and the level of resources that were necessary to translate those commitments into reality. The question of new and innovative ideas for generating funds for international priorities and programmes had assumed greater urgency in light of the precipitous decline in ODA. Stable and predictable sources of finance were therefore required to support high priority multilateral activities.

The ideas contained in conference room paper E/1996/CRP.1 required comprehensive analysis for many of the proposals had implications for national sovereignty. Moreover, any new means of funding development cooperation must be without prejudice to the requirement that industrialized countries should meet their obligations.

Most of the development and humanitarian work of the United Nations system was currently financed from voluntary contributions by Governments. The

voluntary nature of contributions should remain the defining characteristic of support for operational activities. Like other members of the Group of 77, Jamaica regarded the annual United Nations Pledging Conference for Development Activities as an opportunity for countries to reaffirm their political commitment to United Nations operational activities for development and believed that the status quo should be maintained.

In the final analysis, the issue of the financing of development activities remained one of political will. The question to be asked was whether sufficient resources were available to meet the needs of the new international agenda and how those resources might be harnessed. It was in that context that the issue of new and innovative ideas for generating funds must be seen.

Mr. ACUÑA (Costa Rica), responding to the comments made by the President, said that he had merely pointed out that the paper lacked substance. The value judgements emitted by the President were prejudicial to the Group's standing vis-à-vis other groups and he should therefore refrain from making such comments.

The PRESIDENT said that the comments were well taken.

Mr. INSANALLY (Guyana) said that while new ways must be found of generating funds, ODA remained pivotal to the development of most developing countries and donor countries must continue their efforts to honour their commitment to the 0.7 per cent target. There was also need for a substantial increase in predictable and continuous funding for United Nations operational activities for development.

The Council should focus on those options contained in the secretariat's paper which were feasible and politically practical. It might also be useful if the secretariat, assisted by a group of international experts, could collate some of the studies being done elsewhere with a view to presenting them to members for further review.

His Government had espoused suggestions, such as the Tobin tax and environment-related levies, which had the potential for generating significant resources. At the World Hearings on Development, held in 1994, there had been widespread support for some forms of taxation to finance United Nations activities in the field of sustainable development, including international taxes on low elasticity commodities, on the use of such common property resources as the international seabed, and on the profits of transnational

corporations. In addition, the Government of Japan had recently made the interesting proposal that savings effected from the reform of the United Nations should be applied to development purposes. There was no dearth of imaginative ideas for securing new and additional financing. The challenge was to promote their acceptance within the international community as a whole.

In order to maximize support for the new ideas for generating funds, it was essential to engage all the actors in the development field, including Governments, non-governmental organizations, the business sector, labour and the public at large. With proper advocacy also, the several beneficiaries of development could also become its most active agents. Guyana hoped that an international conference on the financing of development could be convened. The international community must be persuaded that investment in development was an investment in global peace and security.

Mr. SABOIA (Brazil) said that the discussion of new and innovative ideas for generating funds must be kept separate from the discussion of the funding of the Organization's regular and peace-keeping budgets. He was encouraged by the success of UNICEF in securing private sector involvement in its fund-raising activities. Other ways of generating funds included the mobilization of additional resources from Governments through such modalities as cost sharing. In general, however, the Council should adopt a gradual approach to the issue and should begin with the less ambitious proposals which stood a greater chance of being accepted. The idea of a United Nations tax, for example, should be excluded.

For the Organization to achieve its goal of promoting sustainable long-term development, the resources mobilized must be reinvested in projects in the beneficiary countries. The developed countries also had a responsibility to change their production and consumption patterns.

Finally, with regard to the proposal that a group of independent experts should be established to consider new and innovative ideas for generating funds, his delegation's concern was that it might simply produce another paper similar to the one presented by the secretariat.

Mr. CANCHOLA (Observer for Mexico) noted that the discussion of new and innovative ideas for generating funds was taking place against the background of the payments crisis currently affecting the United Nations.

Before anything else therefore, Member States should honour both their contractual obligations to the United Nations and their ODA commitments.

The proposals contained in the secretariat's paper were preliminary in nature and needed to be further refined. The recommendations eventually adopted should be universal and non-discriminatory in nature and should be based on the principles agreed upon both at the recent global conferences and in the resolutions of the General Assembly, particularly resolution 47/199. The objective was to ensure that the international balance of commitments and responsibilities should not be altered in any way by transferring the burden from one group of countries to another.

Mr. BLUKIS (Observer for Latvia) said that the prudent answer to the question of what was the best use of limited financial resources was that financing must be shifted away from activities that worked against sustainable development to activities that supported it. That was true at the national and international level. It was not prudent to spend less than 1 per cent of GDP on environmental protection and to allow environmental degradation to consume 10 to 15 per cent of GDP. That reportedly was the situation in one nation. The international community should seek to maintain and improve existing funding mechanisms and search for new ways of funding development. Existing development agreements should be reviewed, in order to bring them into line with the sustainability paradigm. In that regard, a group of experts charged with the task of examining the Secretariat's proposals in detail could help to produce integrated recommendations to be referred to an intergovernmental forum for review.

Mr. ARMITAGE (Australia) said that many of the ideas proposed in the conference room paper under consideration had already been discussed elsewhere. While the conference room paper offered a useful survey of ideas that had been mooted elsewhere, the Council should analyse their suitability and practicability in a more systematic manner.

Ms. RODRIGUEZ CAME JO (Observer for Cuba) agreed that consideration of new ideas for funding should be kept separate from the issue of regular development funding and peace-keeping operations. The proposal for the establishment of a small group of independent experts to examine the ideas in detail should be approached with caution. In particular, there had been no explanation as to why that group should be funded from the existing budget.

The Secretariat had suggested a number of ideas that were clearly unrealistic, and it had failed to explain what criteria had been used in selecting the bibliography. The Council should consider the whole matter of political support for implementation of development assistance pledges, which lay at the heart of the current discussions.

Mr. GALVEZ (Chile) noted that the issue under consideration was highly sensitive politically. While the paper contained innovative and often revolutionary ideas, including proposals for taxing conventional arms sales, neither the Council nor the proposed group of experts had sufficient authority to mobilize political and public opinion in support of implementation. Therefore, although his delegation had no objection in principle to the ideas, it believed that intergovernmental bodies were best qualified to consider their practicability, particularly in view of the current development assistance climate.

Mr. RAZA (Pakistan) said that the Secretariat's ideas were clearly at the preliminary stage and required further analysis with regard to feasibility. Discussion of the ideas should be informed by a number of key principles, aimed at ensuring that attention was not diverted from existing funding commitments, nor from the challenge of creating an equitable international economic system. Care should be taken not to impose additional burdens on developing countries, undermining the dignity of the United Nations too, by positioning it as a commercial undertaking. Member States should consider the ideas before it and offer feedback to the Secretary-General in order to contribute in a systematic way to a feasibility study.

Mr. GOUMENNY (Observer for Ukraine) expressed support for a further study of the conference room paper by a small group of independent experts, stressing that such a study, if backed up by relevant decisions from the General Assembly, could produce positive ideas to be taken to an intergovernmental forum.

Mr. AGONA (Uganda) said that the Council should demonstrate more sensitivity when dealing with the views of delegations. In particular, he wished to record the dissatisfaction of his delegation with the limited time allotted to the previous day's discussion on the Special Initiative on Africa and the explanation that had been given for the timing.

With regard to the conference room paper, while his delegation agreed about the need to exercise caution, the Council also needed to act boldly in its selection of an appropriate forum to discuss new funding ideas. Some form of politically sanctioned intergovernmental conference was needed to ensure that those ideas had the political support of Member States. However, such discussions should not constitute an attempt to replace ODA with new arrangements. While the private sector could indeed assist with funding, experience had shown that it could not do everything. It would be unwise for the United Nations to seek to place inappropriate burdens for development assistance on the shoulders of the private sector.

Mr. BA (Senegal) said that while his delegation was open to discussing funding ideas, it was of the view that the underlying issue at hand was how to reverse the sharp decline in ODA. The Secretariat had clearly faced a daunting task in preparing the conference room paper, but many of its ideas were vague and needed to be more finely honed and incisive.

With regard to the discussion itself, the Council should take care not to impose additional burdens on developing countries, and should consider a broader forum for analysis than the group of experts, so as to take account of a wider range of views and opinions.

Mr. NAZARI TAJABADI (Observer for the Islamic Republic of Iran) said that the Council should ensure that its discussion of funding ideas did not detract from its existing commitment to the creation of an enabling environment for development. Some of the ideas contained in the conference room paper seemed to be the fruit of an intellectual exercise that took little account of the real situation of developing countries. The reference to "green levies" in paragraph 38, for example, seemed to overlook the problem that developing countries had voiced in many forums concerning access to appropriate environmental technology. The Secretariat should have given more consideration to the issue of sustainability.

Mr. STOBY (Director, Division for Policy Coordination and Economic and Social Council Affairs) said that while the Secretariat appreciated the positive comments of delegations on the paper and usually accepted criticism as useful feedback to help improve its performance, it was more hesitant about accepting criticism on the paper at hand. The item under discussion was both a new and highly sensitive matter, on which there was no consensus within the Council as a

whole. The Secretariat had received no guidance as to what the paper should contain, nor had delegations requested any briefings on that matter. In certain instances, it seemed that delegations wished actively to discourage the Secretariat from pursuing the matter. In order to avoid making recommendations on which there was no consensus, on the one hand, or simply furnishing a list of ideas on the other, the Secretariat had on its own initiative decided to provide some pointers that would not enter into substantive matters of great political sensitivity.

Since it had been given no guidance with regard to the paper's scope, it had decided to make no reference to regular funding or peace-keeping operations. For that reason, it had not referred to the Ford Foundation report mentioned earlier.

The Secretariat had also taken the highly unusual step of conferring with the Council bureau, providing it with a draft outline of the paper in order to get some feedback. Had delegations wished to be briefed on the paper, they could have made proposals to that effect at a previous Council session.

Mr. MARRERO (United States of America) said that the United Nations system as a whole should draw on the vast pool of knowledge and expertise at its disposal to examine ways of accommodating awareness of the current resource constraints with the priority it should give to new ways of securing funding. The various agencies of the system should be given a mandate to investigate new funding opportunities that would help them to fulfil their particular missions. If that were done, the approach could then be broadened to include the rest of the system. The Council should consider new funding mechanisms and listen to new ideas for funding where its authorization was required for implementation.

Mr. SINGH (India) said that while there was need for further discussion of the proposals set forth in document E/1996/CRP.1 it nevertheless provided an important starting-point. Although the idea of generating new and innovative funds had gained momentum during recent years, his delegation believed that too much emphasis had been placed on form at the expense of substance.

Private-sector funding had been found to be inadequate since it was concentrated in a small number of countries and had failed to address vital areas such as the environment. New ideas for generating funds should ensure a predictable, continuous and assured flow of resources; they should not divert

attention from ODA or conflict with commitments arising from existing international agreements and conventions. New mechanisms should not place an additional burden on developing countries; they should actually enhance the provision of resources to those countries. His delegation also believed that due weight should be given to the history of exploitation of developing countries by developed countries, including the use of their environments to develop techniques and products which had subsequently enriched the developed nations. His Government therefore endorsed a form of "environmental rent".

Mr. AARDAL (Observer for Norway) said that his delegation shared the concerns voiced by the representative of Costa Rica regarding falling levels of ODA, and was also disappointed that technical briefings had not been held prior to the meeting. The whole issue of new and innovative ideas for generating funds should be kept alive in the United Nations while taking care to ensure that Member States shared burdens equally.

Mr. MONTOYA (Colombia), supporting the delegation of Costa Rica, said that all delegations should be allowed to comment freely since they ultimately shared a common, constructive desire to generate additional funding for development.

Document E/1996/CRP.1 contained a wealth of detail but no clear conclusions. Many of the proposed ideas for generating additional revenue required further discussion, and it was to be expected that a number of delegations would have reservations about some of the innovations outlined therein. There was a danger that, since the document was somewhat fragmentary in its format, the Council's subsequent approach to the issue would also be fragmentary. What was actually required was a new and innovative political will to honour commitments that had already been entered into.

Regarding the proposal by the European Union to set up an independent group of experts, his delegation felt that in order to avoid having a proliferation of reports it would be necessary to clarify the scope of the entire exercise, inject a specifically intergovernmental profile, quantify the amount of funds actually required to satisfy the growing needs of developing countries, and adopt very selective criteria by only considering proposals on which consensus had been reached.

Mr. GORELIK (Russian Federation) said that the United Nations worsening financial crisis had affected all areas of the Organization's

activities, which in turn necessitated an effort of political will on the part of Member States to meet their commitments in full. His delegation did not share the scepticism of certain other delegations regarding the wisdom of instituting a group of experts to study the question of generating funds. The establishment of similar groups in the past had brought positive results, and it was far easier to reach consensus at the expert group level than in intergovernmental bodies.

In the past, the universality and democratic structure of the United Nations had ensured more or less regular funding in the social and economic fields. Recent problems were due partly to donor fatigue in developed countries and partly to the continued diversion of funds earmarked for development into military spending. Finally, internal reform of the United Nations should make it easier to give due weight to practical rather than administrative functions in the social and economic field.

Mr. HAMDAN (Lebanon), supporting the delegation of Costa Rica, said that any criticism levelled at the Secretariat by delegations was meant constructively and was designed to contribute to a more fruitful discussion. His delegation shared the disappointment at the lack of any technical briefing prior to the meeting, and agreed that new ideas for generating funds should not undermine ODA in any way. Further discussion of the many options presented in document E/1996/CRP.1 was clearly necessary.

His delegation wished to point out the unfairness of taxing oil products which were the staple export of many developing countries. The income they derived from the sale of oil products was very often the main source of funds for their own development projects. It was the uses that oil was put to in the developed world rather than the product itself which caused environmental degradation.

Mr. SOEPRAPTO (Indonesia) said it was paradoxical that while the world was developing at such a rate, resources for development had steadily declined. The key to resolving the problem was predictable, continuous and assured funding. His delegation had been encouraged to note that new and innovative ideas for generating funds were being actively considered by the United Nations. However, it was vital that new sources of revenue for development should merely supplement ODA. Donor countries should make efforts to increase the level of their voluntary contributions.

His delegation was particularly keen to explore the idea outlined in paragraph 10 of document E/1996/CRP.1, whereby predictable funding would be ensured by initiating pledges on a multi-year target basis. Such a mechanism would help to ensure the launching of multi-year programmes based on a predictable level of financial resources. Under that system, it would be important for Member States to agree in advance which programmes they wished to finance.

Mr. KAMANDO (United Republic of Tanzania) supported the earlier statements made by the representative of Costa Rica on behalf of the Group of 77.

Mr. KHEREDDINE (Observer for Algeria) said that although new ideas for generating funds seemed like an attractive subject for discussion, his delegation had doubts as to the timeliness, objectives and practicability of the measures outlined in document E/1996/CRP.1. The tone of the discussion seemed to imply that all avenues for generating funds had already been exhausted, which was not the case. The problem could easily have been avoided if, over time, the developed countries had simply lived up to their ODA commitments. However, since they had consistently underfunded development assistance, the scale of the problem had now grown to disastrous proportions. Talking about new ways to generate income conveniently obscured the fact that previously entered-into commitments had not been honoured. The ideas contained in the paper currently before the Council should not be allowed to distort discussion of the real problems that faced developing countries.

Mr. PAUL (International Student and Youth Movement for the United Nations), noting that the World Federalist Movement and the Global Policy Forum also associated themselves with his statement, said that he was pleased that the item had been placed on the agenda for three reasons. First, the traditional source of funding for the United Nations and other global institutions had proven to be insufficient. Second, the need for global institutions was greater now than ever before; more funds, not less, must be devoted to peace, environmental sustainability, human rights and the well-being of all. Third, potential resources existed, for the global economy was generating more wealth than at any other time in history. The means must be found to tap those resources for the common purposes of humankind.

Many creative proposals had been made suggesting innovative funding mechanisms, such as the "Tobin Tax" on currency exchange. Most such proposals would impose a small fee on a very large volume of transactions, yielding a large revenue but imposing a relatively small cost on any individual. Further studies should ensure that the proposed revenue schemes would not hurt the poorest and most vulnerable.

He urged the Council to build on the momentum created by increasing interest in innovative financing mechanisms, and made several specific proposals. First, the Council should call for detailed feasibility studies, consult with groups of eminent experts and initiate intergovernmental deliberations with the goal of eventual negotiations. Next, the United Nations should consider the innovative financial mechanisms not just as sources of revenue, but also as steering devices to minimize destructive trends in the global economy and encourage more human-centred development. Third, discussion of innovative finance should not be an excuse for States to reduce further their assessments or contributions to international organizations. Finally, the raising and spending of those new resources must be carried out in the most transparent and democratic manner possible, within the framework of the United Nations and under the authority of the General Assembly.

Innovative finance would result in long debates and fierce political battles over who would be taxed, how the taxes would be controlled and what the funds would be used for, as well as the issue of sovereignty. But it also represented a unique opportunity to strengthen and develop human society for the twenty-first century.

Mr. AARDAL (Observer for Norway) said that his delegation had found the conference room paper highly useful. With regard to technical briefings, however, he recalled that, at the resumed organizational session, the representative of the Netherlands had specifically requested them. His delegation would welcome another opportunity to discuss how the Council should proceed, as it was difficult to draw conclusions from the many ideas presented without further reflection.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (E/1996/76)

(a) SUSTAINABLE DEVELOPMENT (E/1996/15, E/1996/28, E/1996/63, E/1996/66 and E/1996/84)

(d) NATURAL RESOURCES (E/1996/31)

(e) ENERGY (E/1996/24)

Mr. JUMA (Executive Secretary, Convention on Biological Diversity) said that the decisions taken by the Conference of Parties to the Convention on Biological Diversity at their second meeting, held at Jakarta in November 1995, indicated a transition away from an emphasis on ratification towards implementation of the Convention at the national level. The parties had sought innovative ways to implement the goals of the Convention, through such activities as providing a guidance statement to support the Intergovernmental Panel on Forests and developing framework programmes on important themes, such as marine and coastal biodiversity. The Parties had also emphasized cooperation with the secretariats of other biodiversity treaties and working through other international organizations. They had stressed the importance of approaching implementation from the three main objectives of the Convention: conservation, sustainable use of resources and the fair and equitable sharing of the benefits arising out of utilization of genetic resources. From that approach, it was clear that the Parties saw the Convention as an instrument for sustainable development.

A number of key decisions had been taken in the area of scientific and technical cooperation, and in the area of intellectual property rights, and a pilot clearing-house mechanism had been established to promote technical and scientific cooperation.

The Parties had requested the secretariat to develop a programme of work for the implementation of the Jakarta mandate on marine and coastal biodiversity and had also recommended the promotion of biotechnology, despite the risks associated with it. Completion of a protocol on biosafety was expected by 1998. It was also agreed that the Global Environment Facility should be maintained as an interim financing structure. They had also decided to accept the invitation of the Canadian Government to move the secretariat of the Convention to Montreal.

The meeting rose at 1 p.m.

UNITED NATIONS **E**

Economic and Social Council

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E/1996/SR.31
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PROVISIONAL SUMMARY RECORD OF THE 31st MEETING

Held at Headquarters, New York,
on Thursday, 11 July 1996, at 3 p.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

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(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED NATIONS DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (continued)

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued)

(a) SUSTAINABLE DEVELOPMENT (continued)

(d) NATURAL RESOURCES (continued)

(e) ENERGY (continued)

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 3.10 p.m.

COORDINATION OF THE POLICIES AND ACTIVITIES OF THE SPECIALIZED AGENCIES AND OTHER BODIES OF THE UNITED NATIONS SYSTEM RELATED TO THE FOLLOWING THEMES (continued)

(b) IMPLEMENTATION OF THE AGREED CONCLUSIONS ON THE THEME OF THE 1995 COORDINATION SEGMENT OF THE COUNCIL (continued) (E/1996/L.21)

The PRESIDENT invited the representative of Canada to introduce draft resolution E/1996/L.21, entitled "Follow-up to General Assembly resolution 50/227: initiation of reviews".

Mr. BAILLARGEON (Canada), introducing the draft resolution on behalf of Canada, Norway and the Russian Federation, said its purpose was to clarify the implementation mechanisms of provisions of General Assembly resolution 50/227, without in any way anticipating or prejudging the results of the reviews called for. His delegation commended the draft resolution to the Council for full and prompt implementation.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (continued)

(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED NATIONS DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (continued) (E/1996/L.20)

The PRESIDENT invited the representative of Costa Rica to introduce draft resolution E/1996/L.20, entitled "Strengthening collaboration between the United Nations development system and the Bretton Woods institutions".

Mrs. CHAVES (Costa Rica), introducing the draft resolution on behalf of the Group of 77 and China, commended the draft resolution to the Council and expressed the hope that it could be adopted by consensus.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued) (E/1996/76)

The PRESIDENT drew attention to the report of the Committee for Development Planning on its thirtieth session (E/1996/76) and said he took it that the Council wished to take note of the report.

It was so decided.

(a) SUSTAINABLE DEVELOPMENT (continued) (E/1996/15, E/1996/28, E/1996/63, E/1996/66, and E/1996/84)

(d) NATURAL RESOURCES (continued) (E/1996/31)

(e) ENERGY (continued) (E/1996/24)

The PRESIDENT drew attention to four documents under agenda item 6 (a), "Sustainable development", dealing with the issue of the periodicity of amendments to the Recommendations on the Transport of Dangerous Goods: a note by the Secretary-General transmitting an extract from the report of the Committee of Experts on the Transport of Dangerous Goods on its eighteenth session (E/1996/66); a letter from the Secretary-General of the International Maritime Organization addressed to the Secretary-General of the United Nations (E/1996/15); a letter from the Director-General of the International Air Transport Association addressed to the Secretary-General (E/1996/63); and a letter from the Secretary-General of the International Civil Aviation Organization addressed to the Secretary-General of the United Nations (E/1996/84).

As the issue was scheduled to be discussed at the next session of the Committee of Experts on the Transport of Dangerous Goods, and also in view of the recommendation of the Council's Subcommittee of Experts on the Transport of Dangerous Goods, he suggested that the Council should postpone its own discussion of the issue until its 1997 substantive session.

Mr. PAPADATOS (Greece) said that his delegation fully supported the recommendation of the Maritime Safety Committee (MSC) of the International Maritime Organization (IMO), contained in document E/1996/15, that the publication cycle of the Recommendations on the Transport of Dangerous Goods should be expanded from every two to every four years so as to facilitate smooth and timely harmonization among the different modes of transport.

Mr. MITROPOULOS (International Maritime Organization) cited the legislative and administrative burden on Governments and the industry entailed

under the current biennial schedule of publication, and, supported by Ms. IRISH (Canada), reiterated the request of MSC for such publication to be put on a quadrennial basis.

Ms. WILLIAMS-MANIGAULT (United States of America), supported by Mr. AADAL (Observer for Norway), said that in view of the already existing time lag between amendment and implementation of the recommendations, expanding their schedule of publication would only further delay their taking effect. Her delegation therefore favoured maintaining the current publication schedule and deferring further discussion of the topic until the Council's 1997 substantive session.

Mr. GRAY (Australia), Ms. HARRIS (United Kingdom), Mr. YOSHINO (Japan), Mr. ABOUCHAAR (International Air Transport Association) and Mr. CRUZ DE MELLO (Brazil) said that they, too, would like discussion of the topic to be postponed until the 1997 substantive session, when the Council could benefit from the conclusions of the Committee of Experts on the Transport of Dangerous Goods.

The PRESIDENT said it seemed that the prevailing view of delegations was to postpone any final decision on the agenda item under discussion and to await the results of the December 1996 session of the United Nations Committee of Experts on the Transport of Dangerous Goods.

Mr. PAPADATOS (Greece) requested that the President should give the delegations time to consult with their Governments before the Council took any decision in the matter.

The PRESIDENT said that in order to accommodate the representative of Greece the Council would return to the question under discussion the following week.

He drew attention to the report of the Commission on Sustainable Development on its fourth session in document E/1996/28, the report of the Committee on Natural Resources on its third session in document E/1996/31 and the report of the Committee on New and Renewable Sources of Energy and on Energy for Development on its second session in document E/1996/24.

Mr. GECHEV (Bulgaria), speaking as Chairman of the Commission on Sustainable Development, said that over the past four years the Commission had established itself as a central intergovernmental forum for follow-up to the United Nations Conference on Environment and Development and the implementation

of the Rio Declaration on Environment and Development. That had been possible because of Governments' commitment to sustainable development and the constructive support which the Commission had received from the entire United Nations system and other international institutions.

The real test of the Commission's vitality and of the overall impact of the Rio Conference would however occur at the 1997 special session of the General Assembly, when the international community would review the progress achieved in implementing the Rio commitments and discuss appropriate strategies for implementation in the coming years. The objectives of the 1997 review should include the strengthening of the commitment to sustainable development at the international, national and local levels, pinpointing the reasons for the failure to meet certain goals, identifying innovative approaches to cooperation and financial assistance, and defining priorities for the period beyond 1997.

Turning to the outcomes of the Commission's fourth session (E/1996/28, chap. I), he expressed the hope that the Council would adopt the draft resolution on institutional arrangements for the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, the draft decision on matters relating to the third and fourth sessions of the Ad Hoc Intergovernmental Panel on Forests and the draft decision on the report of the Commission on Sustainable Development on its fourth session and the provisional agenda for the fifth session. Bearing in mind the need for active involvement of non-governmental organizations in the preparations of the 1997 special session, he urged the Council to support the Commission's recommendation to keep those non-governmental organizations accredited by Council decision 1993/220 on the roster, as envisaged in Council decision 1993/215.

Ms. BETTELLI (Colombia) said that her delegation welcomed the report on the fourth session of the Commission on Sustainable Development. With regard to decision 4/15, on the protection of the atmosphere and protection of the oceans and all kinds of seas, her delegation believed that protection of the atmosphere and protection of the oceans could not always be linked together. The decision implied that in order to be considered for international cooperation, a project on marine protection would also have to show it had an effect on the atmosphere, which would not always be feasible.

With regard to the coordination of international cooperation in the marine environment, the Commission was required to conduct a periodic overall review of all aspects of the marine environment and its related issues as described in chapter 17 of Agenda 21. She pointed out, however, that the legal framework for that review went beyond the framework of the United Nations Convention on the Law of the Sea, since there were other binding international instruments regarding the protection of the marine environment.

Mr. WANG Xuexian (China) said that the Commission on Sustainable Development had put forward some valuable suggestions relating to the implementation of Agenda 21. The developing countries had made substantial progress promoting coordinated development in the economic, environmental and social spheres and had overcome various difficulties, relying on their own efforts. Although the international community had made some progress with respect to bilateral and multilateral cooperation in the field of environment and development, its efforts were inadequate considering the comprehensive scope of the decisions adopted at the Rio Conference. The international community had yet to take significant action to assist the developing countries to achieve economic growth and promote environmental protection within their borders. Funding was inadequate, barriers to the transfer of environmentally sound technologies on preferential terms persisted and discriminatory trade policy measures continued to masquerade as environmental protection measures. Developing countries increasingly were expected to assume the same obligations as developed countries with respect to patterns of production and consumption and sustainable development standards, notwithstanding their low levels of economic and technological development.

In order to reverse those unhealthy trends, the special session of the General Assembly to be held in 1997 should delve into their causes and propose action-oriented solutions to correct the problems.

The international community must reiterate the political commitment made at Rio to establish a new global partnership to achieve sustainable development on a global scale. It was also necessary to reaffirm the commitments of the international community on the principles of coordination between environmental protection and development, common but differentiated responsibilities and the need to take into consideration the special situation of the developing countries.

At its next session, the Commission on Sustainable Development should make an overall assessment of international cooperation in the field of environment and development in recent years and analyse the root causes of slow follow-up action, with a view to making practical recommendations on priority areas for cooperation which the General Assembly could act on at its special session in 1997.

His delegation was in favour of properly analysing the feasibility of proposed new and innovative funding mechanisms and their potential impact. However, any new measures should supplement official development assistance and should not serve as a pretext for shirking obligations with regard to financial resources. Solid progress towards making sustainable development a reality was possible if the international community sincerely adhered to the principles endorsed at Rio.

Mr. MURPHY (Ireland), speaking on behalf of the European Union, welcomed the success of the fourth session of the Commission on Sustainable Development. The high-level segment, which had been extremely well attended, had concentrated on preparations for the 1997 special session of the General Assembly, at which the future role and working methods of the Commission would be discussed. The discussion on the need for improved international coordination on oceans was of particular importance. The Commission had stressed that agreements in the area of atmospheric protection required cooperation at all levels.

The fourth session had also covered cross-sectoral themes such as consumption and production patterns, trade and environment and indicators. His delegation welcomed the fact that the Commission had adopted a decision regarding a programme on education. However, it was regrettable that discussions on core agenda items had sometimes repeated earlier agreements and even attempted to reopen already agreed language. His delegation welcomed the participation in the Commission's work of such major groups as business people, scientists, farmers and local communities and hoped that that type of participation would be strengthened.

Mr. ISAKOV (Russian Federation) said his delegation supported the adoption of the draft resolution on institutional arrangements for the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities. While the Commission had

succeeded at its fourth session in analysing a wide range of complex and interdependent issues related to sustainable development and had agreed upon a number of useful recommendations there continued to be a need for practical measures at the national, regional and international levels. The upcoming special session of the General Assembly would provide a comprehensive review of the Rio Conference and identify the primary problems encountered in the follow-up to that Conference. It was important to establish closer links between the Commission and other authoritative bodies and to eliminate duplication in the work being conducted under international conventions. In that regard, national policies and strategies in the area of sustainable development must be further developed. The Commission on Sustainable Development should work more closely with the Committee for Development Planning and the various scientific committees and commissions.

The recommendations of the Committee on New and Renewable Sources of Energy and on Energy for Development were of particular interest to his delegation. Those recommendations included the need to accelerate research and development in the areas of energy efficiency and commercialization of the results achieved. His delegation supported the establishment of a systematic database on the programmes and activities of the organizations and bodies of the United Nations system in the field of energy. That database could be placed on-line on the electronic page of the Committee on New and Renewable Sources of Energy and on Energy for Development, thereby providing a link between the United Nations system, non-governmental organizations and private business. His delegation also endorsed the adoption of draft resolution II on the Coordination of the activities of the organizations of the United Nations system in the field of energy. However, it believed that the issue should be addressed in relation to the overall task of the economic restructuring of the United Nations.

Finally, his delegation believed that the paper on the comprehensive assessment of the world's freshwater resources to be submitted to the General Assembly at its special session in 1997 should provide practical recommendations to Governments on ways to avert regional and local crises related to water resources and should discuss the use of water resources in relation to sustainable development. As Agenda 21 lacked a section devoted to mineral resources, it would be worthwhile to consider that issue within the Commission

on Sustainable Development and at the special session of the General Assembly in 1997.

Mr. CRUZ DE MELLO (Brazil) said that the work accomplished by the Ad Hoc Intergovernmental Panel on Forests at its second session had been an important step in building consensus and that the difficulties encountered should encourage Governments to present new ideas at the next session. His delegation fully endorsed the recommendation that the Panel's fourth session should last for a period of two weeks. It also agreed that it would be appropriate for the Panel to prepare negotiated reports and conclusions.

The documents for the Panel's fourth session should, in keeping with its mandate, maintain a balanced approach to all types of forests, including temperate and boreal forests. The Panel also should encourage reflection on actions and initiatives required to resolve the problem of the undervaluation of wood and non-wood products and forest services, which were a main cause of deforestation and forest degradation.

With regard to trade, the Panel should undertake an in-depth analysis of the relevant issues. They included, the relationship between trade and environment, which should be viewed in a constructive perspective, and the Panel should condemn protectionist measures which paraded in the guise of environmental protection practices. The Panel's next report should devote careful consideration to tariff and non-tariff barriers that affected forest and forest-related products, in particular, the question of tariff escalation.

Voluntary certification schemes should be transparent, should derive from multilateral negotiations and agreements and should not be associated with environmental restrictions originating in unilateral measures. His delegation had serious doubts concerning the value of using certification schemes as an instrument to promote sustainable forest management.

Turning to international cooperation, he reiterated the importance of adhering to agreed commitments concerning official development assistance, the need for a genuine transfer of financial resources and technology and for new and additional resources. Momentary difficulties faced by donor countries should not stand in the way. A document should be prepared for the next session of the Panel on the diverse aspects of the transfer of technology and should not be limited to developments in the private sector. It should examine successful experiences in cooperation and practical examples of new and innovative options

for technology transfer and should supply a list of available technology in both the public and private sectors. Discussions on joint ventures in the forest sector, including research, also should be included. The sustainability of forests required a broad, open debate on technology transfer and scientific research. Initiatives of countries regarding the forest process, however valuable, could not be a substitute for the work carried out by the Panel.

His delegation fully endorsed the remarks by the representative of Colombia concerning the relationship between the oceans and atmosphere and its implications for project funding by the Global Environment Facility (GEF).

Ms. IRISH (Canada) said that her delegation looked forward to the 1997 special session of the General Assembly to take stock of follow-up activities with respect to the United Nations Conference on Environment and Development. Her delegation strongly supported decision 4/9 of the Commission on Sustainable Development on major groups and was particularly pleased that it recognized the importance of continuing major group participation in the Commission and recommended that all major groups participating in the Commission should be confirmed on the roster of the Economic and Social Council. Her delegation also fully welcomed the decision to ensure appropriate arrangements for major group participation at the special session of the General Assembly. The success of that session would depend on transparent and inclusive arrangements for major group involvement.

Her delegation fully endorsed Commission decision 4/11 on promoting education, public awareness and training, and she drew particular attention to its paragraph 2 (a). Education for sustainable development had been increasingly recognized as a holistic, interdisciplinary framework integrating concepts of economic and social development and environmental protection. The strategic alliance envisaged in that paragraph was a key building block for sustainable development.

Lastly, her delegation agreed that the Council should adopt the Commission's recommendations relating to the Ad Hoc Intergovernmental Panel on Forests and that it should transmit to the General Assembly the Commission's decisions on the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities.

Mr. SYARGEEV (Belarus) said that the Commission on Sustainable Development was doing valuable work on the practical implementation of the

proposals and recommendations adopted at the Rio Conference. His delegation agreed on the need for greater effectiveness in the use of the Commission's existing resources and felt that much needed to be done to ensure that the Commission's programmes would yield tangible results. However, the Commission faced an acute shortage of financial resources, and non-traditional sources of financing would not be able to make a substantial improvement in the situation. His delegation felt that Governments should agree to earmark 0.7 per cent of gross national product for sustainable development; that would be in line with General Assembly resolution 50/227.

Belarus, as a country with an economy in transition, was hampered in its progress towards sustainable development by the consequences of the Chernobyl disaster. It was trying to expand its links with all interested countries and international organizations in order to implement the provisions of Agenda 21. On the basis of those principles, his Government would be hosting in May 1997 an international conference on sustainable development of the countries with economies in transition. The conference, despite its regional nature, would be open to all interested countries and international and regional organizations that wished to participate and to institutions from individual countries. In particular, his Government invited the European Union, the World Bank, the Council of Europe, the Organization for Economic Cooperation and Development, the Economic Commission for Europe, the World Health Organization, the United Nations Conference on Trade and Development and the European Bank for Reconstruction and Development to participate in all stages of the Conference. It hoped for close cooperation with all other interested regional and subregional cooperation bodies as well. His Government trusted that the results of the Conference would represent a tangible contribution to the review of the implementation of Agenda 21 at the special session of the General Assembly in 1997.

Ms. BULENOVA (Czech Republic) said that the most recent session of the Commission on Sustainable Development had proved the viability of the Commission, which had succeeded in attracting a truly representative group of key players representing government, business, non-government organizations and other groups. Her delegation applauded the progress made in the implementation of various provisions of Agenda 21, in particular, on issues covered by new global treaties.

The mandate of the Commission would be best fulfilled if its work focused on cross-sectoral issues in which sustainable development concerns were relevant, such as the transfer of environmentally sound technologies, economic instruments, the relationship between international trade and the environment, energy and transport. The Commission also should deal with capacity-building through the promotion of education for sustainable development.

Further efforts to shape an optimal format for the sessions of the Commission, with a clear focus on regular agenda items, was needed. The benefits of broad participation should be retained, there should be a blend of formal and informal meetings and the sessions should be as concise and transparent as possible.

With regard to restructuring, the Commission had the potential to gradually integrate various agendas. Her delegation would continue to support steps leading to closer institutional relationships among the Commission and the Committee on New and Renewable Sources of Energy and Energy for Development, the Committee on Natural Resources and the Commission on Science and Technology for Development.

With regard to the relationship and division of labour between the Commission and the United Nations Environment Programme, the Commission should strengthen its role as a policy-making body and coordinator for cross-sectoral issues relating to sustainable development, while UNEP should focus on the environmental sector.

The 1997 special session of the General Assembly should identify priorities, constraints on, and gaps in implementing Agenda 21 thus far, and should not attempt to renegotiate the agreements reached at Rio. Priority should be given at the special session to sustainable patterns of production and consumption, institutional issues, energy and transport, trade and the environment and economic instruments. In general, her delegation welcomed the shift of priorities towards so-called "driving forces". The special session also should address forest management, fresh water and education for sustainable development.

Her Government was committed to all areas of follow-up to the Rio Conference. It had helped to organize workshops on economic instruments and education for sustainable development, and those issues, as well as indicators

of sustainable development, were among the priorities on which it believed the Commission on Sustainable Development should focus in the future.

Mr. NAZARI TAJABADI (Observer for the Islamic Republic of Iran), referring to paragraph 2 (a) of decision 4/12 of the Commission on Sustainable Development, said that coercive economic measures and unilateral action by some developed countries to the detriment of certain developing countries were inconsistent with the Charter of the United Nations and ran counter to the internationally recognized need to promote capacity-building in the developing countries.

Paragraph 1 (n) of Commission decision 4/13, on changing production and consumption patterns, noted the trend towards a global consensus on the importance of such changes in the context of common but differentiated responsibilities. His delegation believed that the implementation of an international commitment on changing consumption and production patterns must not contradict the right of developing countries to benefit fully from the utilization of their own resources, which were vital to their economic growth and development.

As to financing the transfer of environmentally sound technologies, dealt with in paragraph 13 of Commission decision 4/14, it was imperative that the developed countries should honour the commitments they had undertaken in Agenda 21, in particular, to provide new and additional financial resources and to transfer environmentally sound technologies on concessional and preferential terms. Failing that, the chances of achieving the objectives of the Rio Conference were slim.

Mr. SHAH (India) said that, although his delegation appreciated the work of the Commission, thus far no concrete measures had emerged with respect to financial resources and mechanisms, the transfer of new and additional financial resources or the transfer of environmentally sound technologies. Concrete measures were needed to facilitate action in those areas in the context of the preparations for, and follow-up to, the 1997 special session of the General Assembly. Concrete progress also was needed with respect to changing consumption and production patterns and developing countries.

His delegation supported the involvement of major groups at the special session of the General Assembly, on the understanding that any relevant proposals by the Commission's Chairman would reflect the manner in which those

groups had participated in other special sessions of the General Assembly and that it would be explicitly understood that such provisions would apply to their participation in future such sessions, including those not concerned with the economic and social activities of the United Nations.

Mr. GOUMENNY (Observer for Ukraine) said that the Commission on Sustainable Development was becoming an important political mechanism for promoting sustainable development at the international and national levels. His delegation fully supported the view that the Commission should retain its primary role of leadership on basic issues of sustainable development and as a forum for the review of efforts undertaken at the national, regional and international levels.

His delegation supported the organization of work of the Commission and attached particular importance to the high-level segment, which should be further activated. The thematic panels were very useful but there should not be too many of them and the topics should be carefully defined and linked with the agenda of the session; not only government representatives, but also representatives of private enterprise, scientific circles and public organizations, should participate in the panels. The work of the Ad Hoc Intergovernmental Panel on Forests was encouraging. However, the potential of the Commission was not being fully utilized. His delegation agreed on the need for greater coordination of the Commission's work with other bodies in the area of the environment and development. The Commission needed to seek new ways of implementing decisions already adopted, to limit the number of issues it took up, and to concentrate on the most important problems, including population, poverty, trade, and sustainable industrial development. A system of criteria for evaluating sustainable development should be worked out, which could be incorporated in the economic policy of interested States, taking into account the characteristics of each country. The Commission could promote exchanges of experience and closer international cooperation.

The problem of establishing an optimal regime for the transfer of environmentally clean technologies was particularly important for Ukraine, as a country with an economy in transition. Since the effective implementation of the concept of sustainable development was very difficult for many developing countries and countries with economies in transition, his delegation agreed that a new strategy of official development assistance with a strictly differentiated

nature needed to be worked out which would take into account the levels of development of different countries. The Commission could play an important role in that respect. His delegation hoped that the General Assembly, at its special session in 1997, would clarify the role of the Commission in the context of the reform of the socio-economic sector of the United Nations and the decisions of recent United Nations conferences.

Mrs. WRONECKA (Poland) commended the Commission on Sustainable Development for the work it had accomplished at its fourth session. A careful analysis of the Commission's report (E/1996/28) showed that significant gaps persisted with respect to instruments for sustainable development, which were of equal and crucial importance for the successful implementation of Agenda 21.

Firstly, financial resources for sustainable development currently were inadequate. Furthermore, with regard to education for sustainable development, only credible, stable local policies could provide the basis for generating domestic and international resources for development, and such policies could be drafted only by well-educated authorities. Her delegation agreed that regional centres for the transfer of curricula, education techniques and tools should be established. Lastly, she emphasized the importance of an integrated approach to the various issues dealt with in Agenda 21 and of strengthening coordination among the various international organizations concerned with the subject.

Ms. WILLIAMS-MANIGAULT (United States of America) said that her delegation fully endorsed the recommendations of the Commission on Sustainable Development adopted at its fourth session. The participation of non-governmental organizations in activities relating to preparations for the special session of the General Assembly scheduled for 1997, and at the session itself, should be governed by the rules of procedure of the General Assembly.

Mr. VARCHAVER (Inter-Parliamentary Union (IPU)) said that the Union encouraged parliamentary action to implement Agenda 21. It considered that the provision of adequate financing and the transfer of environmentally sound technologies were essential for the achievement of sustainable development. Evaluations conducted by member parliaments in recent years indicated that difficulties relating to those questions had gravely hindered efforts to implement the Agenda. Document E/1996/NGO/2 detailed the contribution which Inter-Parliamentary Union proposed to make to the assessment and evaluation of the progress achieved since the Rio Conference.

National parliaments, which represented the common interest of the various components of civil society, provided the legislative framework for sustainable development activities, monitored the activities of Governments, including in the field of sustainable development, and engaged in a continuous dialogue with constituents which served to build awareness among the general public of sustainable development issues. Accordingly, Inter-Parliamentary Union had proposed that henceforth, national parliaments should be added to the category of major groups within the meaning of the term used in Agenda 21. Such a step would be a further manifestation of the closer cooperation between the United Nations and Inter-Parliamentary Union called for by the General Assembly in resolution 50/15.

Ms. VON ROEMER (International Confederation of Free Trade Unions (ICFTU)) said that ICFTU, which represented some 127 million workers on all continents, appreciated the innovative working methods adopted by the Commission on Sustainable Development. The practice of panel presentations followed by dialogue could be an effective means of bringing the real world into the conference room. The Day of the Workplace had brought together business and trade union leaders from industrial and developing countries who had given graphic illustrations of cooperation between business and labour to create a safer and healthier environment, demonstrating that job creation and environmental protection could be mutually supportive. ICFTU hoped that in its future work, the Commission would build on those findings and focus on the workplace. What was needed was a worldwide plan for joint environmental management initiatives between employers and trade unions at the workplace.

ICFTU strongly supported the proposal made during the high-level segment of the Commission that the question of employment creation by means of sustainable development strategies should be placed on the agenda of the next session. The issue would also need to be addressed by the Inter-sessional Ad Hoc Open-ended Working Group at its next session.

Mr. MURPHY (Ireland), speaking on behalf of the European Union, said that the European Union believed that the Committee on Natural Resources had a useful task to accomplish, particularly in the area of water technology. It noted that the Committee had moderated its demands for reports and studies on a wide range of issues, many of which were covered by the Commission on

Sustainable Development; that highlighted the need for a review of the Committee's relationship with the Commission.

The Committee on New and Renewable Sources of Energy and on Energy for Development continued to be a useful forum for addressing issues relating to the energy needs of developing countries. The European Union had reservations on holding a United Nations conference on energy, however, and expected that the report to be prepared on the subject would consider all possible options for a high-level discussion.

The European Union agreed that the activities of the United Nations system in the field of energy must be better coordinated; however, the need for a new institution had not been demonstrated.

In draft decision I, the Committee addressed the need to continue subsidies and other forms of direct and indirect support. That question should be carefully considered, taking into account the situation of individual countries, as well as current thinking by the international community.

The European Union welcomed the inclusion of both Committees in the Council's review of its functional commissions and expert bodies provided for in General Assembly resolution 50/227.

Mr. SHAH (India) said that his delegation supported the reports of the two committees and recommended approval of the resolutions and decisions contained in them. The proposal to convene an international conference on energy was still at a preliminary stage, so that it was difficult to understand the hesitancies that were being voiced. The Council should adopt the decisions and resolutions on which there were no reservations and try to harmonize its position on the others.

Ms. WILLIAMS-MANIGAULT (United States of America) said that her Government strongly supported efforts to encourage the management of water resources and sustainable exploitation of mineral resources. It was not clear, however, that the Committee on Natural Resources was making a contribution to those efforts that would justify the expense of its continued operation. Since all activities of interest to the Committee were being conducted by other bodies, with the Committee only reviewing and commenting on them, her delegation believed that the Committee's functions should be merged into the Commission on Sustainable Development. Proper attention to the mineral and water sectors and their relation to the environment, keyed to each country's particular

circumstances, should form part of national sustainable development strategies. An open investment climate, sound macroeconomic policies, effective environmental regulation and resource conservation policies, combined with innovative public-private financing schemes, could generate the resources and provide the framework for the sustainable use and management of water and mineral resources.

Her delegation felt that a United Nations conference on energy would serve no useful purpose sufficient to justify its expense. No additional institutions were needed to address energy issues; existing entities should suffice. Her delegation believed that the functions of the Committee on New and Renewable Sources of Energy and on Energy for Development should be merged into the Commission on Sustainable Development. National energy strategies and policies were essential, either in parallel with or as part of national sustainable development strategies. An open investment climate and sound energy policy were the best means of attracting the financial resources needed for rural electrification; innovative financing schemes could enable even poor rural consumers to afford renewable-based electricity.

Mr. HAMAD (United Nations Educational, Scientific and Cultural Organization (UNESCO)) said that UNESCO had undertaken to organize the World Solar Summit as a concrete response to the recommendations of the United Nations Conference on Environment and Development. A World Solar Commission had been created with a view to adopting, in September 1996, a declaration on renewable energy sources and a plan of action. The World Solar Summit would convene in Harare, Zimbabwe, on 16 and 17 September 1996 under the chairmanship of President Mugabe, the Chairman of the World Solar Commission. UNESCO hoped that the initiative would be considered a major United Nations system-wide endeavour and that, once adopted, the declaration would be given the broadest possible dissemination not only among Member States but also within the relevant intergovernmental and inter-agency mechanisms of the United Nations system. UNESCO looked forward to the continued support of the United Nations Environment Programme, UNDP and the World Bank, and of other partners outside the United Nations system.

The PRESIDENT drew attention to the draft resolution and the two draft decisions contained in chapter I, sections A and B, of the report of the Commission on Sustainable Development (E/1996/28). In addition, he drew

attention to decision 4/15, which recommended that the Council should approve a number of conclusions addressing issues relating to international cooperation and coordination, subject to the outcome of the special session of the General Assembly in 1997 at which the Assembly would, inter alia, decide on the future work programme of the Commission.

He took it that the Council wished to adopt the draft resolution entitled "Institutional arrangements for the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities".

It was so decided.

The PRESIDENT said he took it that the Council wished to adopt draft decision I entitled "Matters relating to the third and fourth sessions of the Ad Hoc Intergovernmental Panel on Forests" bearing in mind the programme budget implications, contained in annex III to the report.

It was so decided.

The PRESIDENT said he took it that the Council wished to adopt draft decision II entitled "Report of the Commission on Sustainable Development on its fourth session and provisional agenda for the fifth session of the Commission".

It was so decided.

The PRESIDENT read out an oral draft decision, for adoption by the Council:

"The Economic and Social Council decides to keep those non-governmental organizations so accredited to the Council by its decision 1993/220 on the roster and invites the General Assembly to ensure, in conformity with Assembly resolution 50/113, appropriate arrangements for the most effective contributions to and active involvement of major groups, including non-governmental organizations, in the special session of the General Assembly in 1997".

Ms. WILLIAMS-MANIGAULT (United States of America) said that it was her delegation's understanding that decision 1993/220 had granted provisional roster status to non-governmental organizations. The words "so accredited to" should therefore be changed to "granted provisional roster status on".

Mr. SHAH (India) said that, with the United States amendment, it would not be clear whether non-governmental organizations which had been placed provisionally on the roster would continue to be provisionally included.

Mr. ALOM (Bangladesh) said that he shared the Indian representative's concern and inquired what was meant by "major groups".

Mr. STOBY (Department for Policy Coordination and Sustainable Development) said, that as the Secretariat understood it, the intent of the draft decision was to confirm that those non-governmental organizations to which decision 1993/220 referred would be permanently placed on the roster. The use of the word "provisional" might introduce some confusion as to the past and future status of those non-governmental organizations.

The definition and categorization of "major groups" was used in Agenda 21 and elsewhere and the term was well understood.

Mr. SHAH (India) asked whether non-governmental organizations which had participated in the United Nations Conference on Environment and Development were being treated differently from other non-governmental organizations; a non-discriminatory approach must be adopted.

The PRESIDENT said that the Council would take action on the draft decision at a subsequent meeting.

The meeting rose at 6.05 p.m.

UNITED
NATIONS

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Economic and Social Council

PROVISIONAL

E/1996/SR.32
7 August 1996

ORIGINAL: ENGLISH

Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 32nd MEETING

Held at Headquarters, New York,
on Friday, 12 July 1996, at 10 a.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 10.15 a.m.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued)

(a) SUSTAINABLE DEVELOPMENT (continued)

The PRESIDENT recalled that the Council had postponed adoption of a decision regarding the status of non-governmental organizations placed on the Roster. Since there was a working group which was dealing with that issue, he suggested that the Council should postpone further consideration of the item until the working group's report was available.

Mr. ACUÑA (Costa Rica), speaking on behalf of the Group of 77 and China, agreed, adding that the Council could take an interim decision, on the basis of paragraph 34 of its resolution 1296 (XLIV), to enable non-governmental organizations which had participated in the United Nations Conference on Environment and Development to contribute to the preparatory process for the special session of the General Assembly on the implementation of Agenda 21, which was scheduled for 1997.

Mr. MURPHY (Ireland), speaking on behalf of the European Union, agreed that consideration of the matter should be deferred for the moment, adding that it must be addressed as soon as possible.

Ms. WILLIAMS-MANIGAULT (United States of America) agreed that it would be preferable to wait until the report of the working group became available, but stressed that the Council must take action on the matter promptly.

(d) NATURAL RESOURCES (continued) (E/1996/31)

The PRESIDENT drew attention to the draft resolutions and draft decisions contained in chapter I, sections A and B of the report of the Committee on Natural Resources on its third session (E/1996/31).

Ms. WILLIAMS-MANIGAULT (United States of America) requested that action on the draft resolutions should be deferred pending the holding of informal consultations.

Mr. SINGH (India) suggested that the Council could take action on procedural decisions at the current meeting. If informal consultations were to be held, they must take place as soon as possible. The Council was under increasing pressure to use the assistance and input of experts in technical fields. Since the report of the Committee on Natural Resources had been prepared by just such a group of experts, the Council must give it serious consideration.

Mr. MURPHY (Ireland), speaking on behalf of the European Union, said that all the matters currently before the Council should be discussed further in informal consultations. He fully agreed with the representative of India that action must not be deferred unnecessarily.

(e) ENERGY (continued) (E/1996/24)

Mr. GOUMENNY (Observer for Ukraine) said that his delegation welcomed the report of the Committee on New and Renewable Sources of Energy and on Energy for Development on its second session (E/1996/24), adding that, in his view, the Council should adopt the two decisions contained in the report.

The United Nations must address the realities of energy resources for the developing countries and countries with economies in transition. Cooperation on energy matters was very important to the Government of Ukraine, and its decision to shut down the remaining section of the Chernobyl power station would have a major impact. It was facing many technical difficulties in that process, but problems relating to shutting down obsolete power stations would become important to many other countries as well. The International Atomic Energy Agency should address the issue of sustainable and safe energy systems. It was his delegation's hope that the groundwork for such systems would be laid at the current session of the Council.

The meeting rose at 10.50 a.m.

UNITED
NATIONS

E

Economic and Social Council

PROVISIONAL

E/1996/SR.33
11 September 1996

ORIGINAL: ENGLISH

Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 33rd MEETING

Held at Headquarters, New York,
on Friday, 12 July 1996, at 3 p.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

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96-80929 (E)

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued)

(b) TRADE AND DEVELOPMENT

Mr. KELL (United Nations Conference on Trade and Development (UNCTAD)) recalled that the Secretary-General of UNCTAD had briefed the Council on the outcome of the ninth session of UNCTAD at the opening of the high-level segment of the Council and said that a further report on that session and on subsequent actions taken by the UNCTAD Trade and Development Board would be given in the Second Committee of the General Assembly.

The Trade and Development Board had met during the current week and had established three commissions: the Commission on Trade in Goods and Services and Commodities, the Commission on Investment, Technology and Related Financial Issues and the Commission on Enterprise, Business Facilitation and Development. It had also been decided that the first substantive session of the Trade and Development Board would take place from 7 to 18 October and would take up three themes: investment, including a possible multilateral framework relating to investment and its implications for development; lessons from the East Asian development experience; and implementation of the Programme of Action for the Least Developed Countries for the 1990s.

A special event was scheduled for 10 October 1996 when ministers, corporate executives and non-governmental organizations would meet informally under the auspices of the Trade and Development Board to discuss investment and development issues, including the possible multilateral framework.

Mr. SYARGEEU (Belarus) said that because of the enormous cost of eliminating the consequences of the Chernobyl disaster, Belarus was experiencing particular difficulties in adapting to the new economic conditions and would need a fairly long period of transition to a market economy. It intended to

review the list of beneficiary countries of its national system of preferences and hoped for the understanding of its trading partners in that process.

Full and equal participation in the new international trade system, whose focal point was the World Trade Organization (WTO), could greatly facilitate the transition of the countries of Central and Eastern Europe from centrally planned economies to market economies. The industrialized countries must take a more flexible approach to admitting newly independent States to WTO. The removal of trade restrictions on Belarusian goods being vital for the Belarusian economy, the early entry into force of the agreement signed with the European Union on partnership and cooperation was essential. His Government welcomed the approval of the agreement by the parliaments of Denmark, Spain and the United Kingdom and called on the 12 other member countries of the European Union to follow suit.

Mr. FEDORTCHENKO (Russian Federation) said that the integration of developing and other countries into the global trading system was essential for the achievement of stable economic growth and sustained development. The ninth session of UNCTAD had confirmed the importance of UNCTAD. His delegation welcomed the decisions on the reform of the intergovernmental machinery and the secretariat of UNCTAD and on the strengthening of UNCTAD coordination with WTO, the Bretton Woods institutions and other multilateral bodies on the basis of comparative advantage, which would help strengthen the viability of the United Nations system as a whole.

Foreign trade played a major role in the implementation of market changes in the Russian Federation. Unfortunately, there were still discriminatory barriers which prevented Russian goods and services from reaching the markets of developed countries. Furthermore, organizational, technical and political difficulties greatly hindered the efforts of the Russian Federation to develop its foreign trade potential in order to complete the restructuring of the economy and reduce the social pressures associated with the transition period. The work of UNCTAD and the International Trade Centre in analysing the key problems of international trade and in providing technical assistance to the Russian Federation and other countries with economies in transition in strengthening their export potential and joining WTO should be intensified.

His delegation supported the proposal by the representative of Japan to allocate a portion of the resources saved through the restructuring of UNCTAD to

the expansion of technical assistance, thereby benefiting developing countries and countries in transition.

Mr. KOZIY (Observer for Ukraine) said his delegation hoped that the full implementation of the agreements reached in the Uruguay Round would contribute to the further liberalization of international trade and the establishment of an open and transparent trading system which would, in particular, facilitate the access to world markets of exports from countries in transition. The lack of such access could in the long term substantially limit the ability of States to make timely repayments on loans from international financial institutions.

Ukraine hoped that WTO would create a sound legal basis for the expansion and diversification of international trade and economic ties by according each State equal rights and opportunities to protect its interests in the multilateral trading system. It looked forward to joining the General Agreement on Tariffs and Trade (GATT) and WTO, probably in 1997. At the same time Ukraine would welcome an easing of the anti-dumping policy on the part of the contracting parties of WTO and a lessening of the restrictions on the transfer of advanced technologies to economies in transition, and it hoped to retain the status of participant in the generalized system of preferences.

Ukraine welcomed the results of the ninth session of UNCTAD, which would strengthen the role of UNCTAD as an effective instrument for promoting the integration of developing countries and economies in transition into the world economy and the international trade system. It believed that support for economic reforms in economies in transition should not be to the detriment of developing countries. In the spirit of the Cartagena Agreement and also of General Assembly resolutions 50/95 and 50/120, his delegation believed that in the long term the successful efforts of the economies in transition would do much to promote international development and the strengthening of peace and security.

Mr. AARDAL (Observer for Norway) said that globalization of the economy was becoming increasingly significant as the provision of official development assistance declined. Globalization offered the possibility of economic growth to all countries; however, those unable to take advantage of the opportunities it provided ran the risk of exclusion and marginalization. The channelling of trade to the poorest parts of the world was therefore

increasingly important for achieving development. Within the United Nations system, UNCTAD had a particular mandate in that regard.

Norway was generally satisfied with the outcome of the ninth session of UNCTAD. It felt that the new complementary and cooperative role of UNCTAD vis-à-vis WTO was a solid and durable platform for the future work of UNCTAD. It fully supported the new focus areas of UNCTAD, the streamlined and reduced intergovernmental machinery, and the new planning and control mechanisms. It appreciated the increased focus on the least developed countries, although it would have liked an even stronger focus on those countries, especially in the area of technical cooperation. The session offered proof that reform was possible; the overall satisfaction of all geographical groupings augured well for the successful implementation of the reforms adopted.

Mrs. WRONECKA (Poland) said that trade and development were of the greatest importance to all countries undergoing transformation from a command economy to a market economy. Market openness boosted domestic competitiveness, which in turn influenced the dynamics of the restructuring process. Poland therefore welcomed the activity of the United Nations in promoting the development of the world economy and trade.

Her delegation fully supported the reform process of UNCTAD. The globalization of production and liberalization of trade offered opportunities to all countries and enabled developing countries to play a more active role in the world economy. The crucial challenge was to create the conditions in which world investment and trade flows would help to bridge economic and social disparities among and within nations. Close cooperation between WTO and UNCTAD would facilitate world trade as an important factor for sustainable development.

Most countries undergoing economic and social change needed external support for national efforts. The reforms Poland had embarked upon in 1989 had yielded results: a solid foundation had been laid for further sustainable development. Poland's association with the European Union and membership of the Organisation for Economic Cooperation and Development (OECD) was very beneficial in that respect.

Mr. NAZARI TAJABADI (Observer for the Islamic Republic of Iran) said that the intergovernmental machinery of UNCTAD must be strengthened to allow it to assume a more concrete role in the integration of developing economies into the world economy and the international trade system. While recognizing the

important role of UNCTAD in meeting the special needs of land-locked and transit developing countries, his delegation felt that the initiatives and activities of regional commissions and subregional organizations should also be taken into consideration. His Government attached great importance to regional cooperation in Asia and the Pacific and believed that the expansion of land transport linkages in Asia was pivotal in order to promote the economic and social development of the region through the expansion of trade at various levels. In that context, Iran had been creating and expanding road, rail, air, sea and communications links with the newly independent central Asian States by investing in multi-billion dollar projects over the past three years. Those projects offered alternative access to the major seaports on the Persian Gulf and created a new trade route linking Europe and South-East Asia. In the case of Iran, all the improvements had been made thus far with domestic resources. Further efforts, however, would largely depend on the receipt of adequate financial and technical support from the donor community and international financial institutions.

Ms. VON ROEMER (International Confederation of Free Trade Unions (ICFTU)) said that the sixteenth World Congress of ICFTU, which had brought together over 1,000 trade unionists from about 160 countries, had had as its main theme the challenges posed to the trade union movement by the globalization of the economy, including inhuman working conditions, child labour, bonded labour and attacks on the trade union movement. Trade unions supported the expansion of trade and investment, as they could stimulate growth, help defeat world poverty and raise living standards for all peoples; however, those goals needed to be accompanied by agreed standards to ensure that the benefits were spread to all. The World Congress had been unanimous about the need for a social clause, which was especially important for developing countries because they were the most vulnerable. A social clause would discourage trade protection and encourage a more sustainable process of foreign investment by transnational corporations, bringing increased benefits to host countries and a more even growth in world trade, through a gradual rise in the purchasing power of wages. The political authority of WTO, and thus the multilateral framework for open world trade, needed to be strengthened.

(c) FOOD AND AGRICULTURAL DEVELOPMENT (E/1996/70)

Mr. WEIBGEN (Food and Agriculture Organization of the United Nations (FAO)), introducing the report on the review and analysis of agrarian reform and rural development (E/1996/70), said that the principal focus of the World Conference on Agrarian Reform and Rural Development and its Programme of Action had been the eradication of poverty. The strategies for rural poverty eradication outlined in 1979 and those developed at the World Summit for Social Development in 1995 were very similar, but what had changed was the perception of how and by whom those strategies should be carried out. The report was a tool by which countries could examine, fine-tune and reorient their rural development efforts. It focused on member nations' experience with political and economic liberalization and stressed the need for accompanying institutional reform. The benefits of political and economic change could not be transmitted to either national economies or individual households without the support of educational, environmental, technological, institutional and political reforms. The report demonstrated that those ideological and systemic changes were of the greatest significance to agrarian reform.

Many of the centrally planned economies were now economies in transition and at the same time a number of developing economies in Asia and Latin America had joined OECD and were considered models for others to follow. Because of the renewed interest in the private rights of citizens to intellectual as well as physical property, agrarian reform had taken on a new meaning. Member nations were almost universally turning to the market as a final arbiter of the allocation of rural goods and services. Economic liberalization was accompanied by political liberalization; policy makers in member countries were increasingly realizing the importance of civil society for the achievement of national development goals.

The report concluded by outlining the steps to be taken to ensure stronger analytical presentation in subsequent reporting. Nearly 80 nations had participated in its preparation, and it was expected that there would be near-universal participation by the end of the century.

Sister Mary Theresa PLANTE (Observer for Franciscans International) said that Franciscans International represented a group of dedicated people with a long history of living and working at the grass-roots level in many countries. It agreed with the comments made in the report (E/1996/70) regarding defence

expenditure, conflict and world poverty, and it emphasized that the presence of land mines continued to have an effect long after wars were over, preventing land from being used for agriculture. Regarding section 4, Women in agriculture and rural development, it encouraged Governments to go beyond the concept of the feminization of poverty and look at the feminization of policy. The Fourth World Conference on Women had referred to the reality of women working in rural areas and the obligation of Governments to facilitate change.

Franciscans International called for rural life to be more stable, viable and attractive so as to slow down migration to the cities. It believed: that concerns regarding agrarian reform and rural development should be part of the framework for the First United Nations Decade for the Eradication of Poverty; that good governance should be taken into account when dealing with agrarian reform and rural development; and that the root causes of the lack of food sufficiency needed to be continually researched.

The PRESIDENT suggested that the Council should take note of the report in document E/1996/70.

It was so decided.

The meeting rose at 4 p.m.

UNITED NATIONS **E**

Economic and Social Council

PROVISIONAL

E/1996/SR.34
11 September 1996

ORIGINAL: ENGLISH

Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 34th MEETING

Held at Headquarters, New York,
on Monday, 15 July 1996, at 3 p.m.

President: Mr. KOVANDA (Vice-President) (Czech Republic)

later: Mr. HENZE (Vice-President) (Germany)

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PERMANENT SOVEREIGNTY OVER NATIONAL RESOURCES IN THE OCCUPIED PALESTINIAN AND OTHER ARAB TERRITORIES

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96-80938 (E)

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (continued)

(g) INTERNATIONAL COOPERATION IN TAX MATTERS (E/1996/62)

(i) FOLLOW-UP TO GENERAL ASSEMBLY RESOLUTION 50/106: BUSINESS AND DEVELOPMENT

Mr. BERTUCCI (Director, Division of Public Administration and Development Management), introducing the report of the Secretary-General on the seventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters (E/1996/62), summarized the history of the work of the Group of Experts and outlined the agenda of the seventh meeting.

In the light of the increased interdependence of States within a global market economy, the role of the Group of Experts had gained increasing relevance to the needs of Member States, in particular, developing countries and countries with economies in transition. The Group's advice on tax matters could assist Governments to create an enabling environment for economic activities. It was the only forum in which the industrialized countries, the developing countries and the countries in transition could hold a dialogue on matters relating to international taxation.

The Group of Experts had recommended that the Secretariat should prepare for its consideration at its eighth meeting draft revisions of the United Nations Model Double Taxation Convention between Developed and Developing Countries and of the Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries. Their adaptation to current national and international economic environments would make a significant contribution to international income allocation and financial resource mobilization. The recommendation would be implemented from existing resources.

The Group of Experts also had recommended the convening of five annual interregional training workshops, to be attended by developing countries and countries with economies in transition, on the negotiation of bilateral tax

treaties and matters concerning international income allocation. The workshops would be financed with voluntary contributions.

Lastly, the Group of Experts had requested the Secretariat to undertake a study of arbitration as a tool to resolve international transfer pricing disputes and to make recommendations on relevant mechanisms for its consideration at its eighth meeting.

Mr. HAMDAN (Lebanon) asked whether the Ad Hoc Group of Experts had a working relationship with the United Nations Commission on International Trade Law and, if so, how their activities were coordinated.

Ms. LEBL (United States of America) said that more progress could be made in achieving international cooperation by discussing individual issues which caused problems between countries than by reopening the entire United Nations Model Double Taxation Convention for revision. Furthermore, the Council should take no action on the question of revising the Model Convention until the Steering Committee to be selected from among the members of the Group of Experts had submitted its recommendations on the subject.

Mr. SYARGEEU (Belarus) said that his delegation appreciated the work of the Group of Experts in studying modern trends in taxation and formulating recommendations to Governments for the improvement of national tax legislation. The Group of Experts should now formulate recommendations on the drafting of bilateral and multilateral treaties on the avoidance of double taxation, and also other tax questions.

His delegation could not support the proposals made at the fourth session of the Commission on Sustainable Development on taxing the purchase of airline tickets to obtain additional resources for sustainable development or the proposals made at the high-level segment of the Council for a tax on currency transfers or on weapons purchases. Belarus believed that financial resources for development must be allocated by States on a purely voluntary basis.

Mr. SAVOSTIANOV (Russian Federation) said that his delegation attached great importance to international cooperation in the area of taxation, including the exchange of experience between countries and technical assistance for strengthening national potential. Those issues were of particular significance to the Russian Federation in the context of the economic reforms which were being carried out.

In general his delegation supported the work of the Group of Experts and welcomed the inclusion in its work of countries with economies in transition. Transfer pricing and tax treatment of financial instruments were subjects of particular interest. His delegation believed that in future the Group of Experts should take up more issues that were of interest to a broad range of countries.

Mr. BERTUCCI (Director, Division of Public Administration and Development Management), replying to the representative of Lebanon, said that thus far there had not been much interaction between the Group of Experts and the United Nations Commission on International Trade Law. If any item on the Group's agenda required such cooperation, the Secretariat would ensure that it took place.

In reply to the representative of the United States of America, he said that many delegations in the Group of Experts had expressed the view that it would be inappropriate to reopen negotiations on the United Nations Model Double Taxation Convention in its entirety and that revisions should be considered only in respect of subjects regarding which the Convention had become outdated or which were not covered therein.

He had taken note of the remarks by the representatives of Belarus and the Russian Federation.

The PRESIDENT suggested that the Council should take note of the report of the Secretary-General on the seventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters (E/1996/62).

It was so decided.

Mr. MARRERO (United States of America) said, with reference to the question of business and development, that his delegation planned to introduce a draft resolution which recommended to the General Assembly the adoption of a draft United Nations declaration on corruption and bribery in transnational commercial activities.

Bribery distorted markets and hindered economic development, substituting graft for quality, performance and suitability in global markets. Bribes undermined democratic accountability, since weak Governments were further weakened by corruption and emergent democracies were threatened. Bribery also created a type of non-tariff barrier to trade, placing companies which refused to engage in the practice at a disadvantage.

By encouraging Member States to take certain actions in transnational commercial activities in order to combat bribery, the draft declaration reaffirmed the link between good governance and economic growth. The prevention of corruption enhanced fairness and competitiveness in transnational business transactions and benefited the general public as well. Such action also complemented the efforts of the Organisation for Economic Cooperation and Development, the Organization of American States and other international organizations to eradicate bribery and corruption.

The meeting was suspended at 3.45 p.m. and resumed at 5.10 p.m.

Mr. Henze (Germany), Vice-President, took the Chair.

PERMANENT SOVEREIGNTY OVER NATIONAL RESOURCES IN THE OCCUPIED PALESTINIAN AND OTHER ARAB TERRITORIES (A/51/135-E/1996/51)

Mr. EL-BEBLAWI (Executive Secretary, Economic and Social Commission for Western Asia (ESCWA)) said that the report on the economic and social repercussions of the Israeli settlements on the Palestinian people in the Palestinian territory, including Jerusalem, occupied since 1967, and on the Arab population of the Syrian Golan (A/51/135-E/1996/51, annex) had been prepared by ESCWA in response to the request in General Assembly resolution 50/129. It covered the period from April 1995 to March 1996.

The report revealed the different approaches that had been taken by Israel to expand its settlement activities, varying from the expropriation of Arab land to the confiscation of agricultural land and the closure of vast tracts, mostly under the pretext of security reasons or citing the establishment of a nature reserve. It also shed light on the new Israeli thinking and the changes in the attitudes of Jewish settlers, especially in the context of the implementation of the Interim Agreement on the West Bank and the Gaza Strip (Oslo II) and the redeployment of the Israeli army and its evacuation of the agreed areas. Contrary to expectations and to the contradictory Israeli official statements, various methods had been followed to intensify the continued Israeli policy of building new settlements, and expanding existing settlements, and building roads and diverting water resources to serve those settlements.

The information in the report was based on different sources, primarily materials from the United Nations publications and reports and the Israeli and Palestinian press.

Mr. RAMOUL (Observer for Algeria), speaking as President of the Group of Arab States for the month of July, said that the Council had little to show for all the resolutions it had adopted concerning the illegality of Israeli settlements in the occupied Palestinian territory, including Jerusalem, and the occupied Syrian Golan. Indeed, the ESCWA report (A/51/135-E/1996/51, annex), which demonstrated how far the Israeli Government was prepared to go to strengthen and expand illegal settlements, could only heighten its concern.

The spirit of optimism surrounding the Middle East peace talks, based on the agreed principle of land for peace, had soon been dissipated by failure to achieve progress on the settlements issue. With the advent of the current Israeli Government, the Group of Arab States wished to record its deep concern that settlement expansion had become part of overall government strategy. The international community should intervene with great urgency to prevent that policy from undermining the opportunity for peace in the area.

With regard to the report itself, while it contained a great deal of useful information drawn from a variety of sources, its layout made it less accessible to the reader.

Mr. SHREIM (Observer for Palestine) said that the Israeli settlements in the occupied Palestinian territory, including Jerusalem, violated the private property rights of individual Palestinians, Palestinian national rights, international law, international humanitarian law, and the will of the international community, which had always affirmed that such settlements were illegal. The settlements represented a flagrant violation of various conventions and resolutions including the Geneva Convention relative to the Protection of Civilian Persons in Time of War, which was applicable to all territories occupied by Israel since 1967, including Jerusalem, and successive United Nations resolutions, in particular Security Council resolution 465 (1980). The continued establishment of new settlements and expansion of existing settlements was a clear violation of the spirit of peace process and contradicted its basic principles including the principle of land for peace, embodied in Security Council resolutions 242 (1967) and 338 (1973).

The Israeli policy of establishing and enlarging settlements in the occupied territory constituted a campaign of colonization of Palestinian land which had a severe and devastating impact on the Palestinian people, their land, natural resources and economy. The new Israeli Government had made it clear

that it was committed to expanding the settlements, thereby undermining the peace process and flouting the agreements signed with the Palestine Liberation Organization (PLO). The United Nations, including the Security Council, must reject any attempts by Israel to destroy the peace process by pursuing an active settlement policy.

Over the years, Israel had intensified its settlement activities in and around Jerusalem, confiscating Palestinian land and encircling Arab East Jerusalem with Jewish settlements, with a view to creating a de facto situation which would be impossible to reverse. That policy of Judaization of Jerusalem must be strongly condemned, since Jerusalem was the key to arriving at a just peace in the Middle East.

The Palestinian side remained committed to the peace process and would honour its obligations in that regard. It was ready to negotiate with the new Israeli Government on the basis of the implementation of the agreements reached and of Security Council resolutions 242 (1967) and 338 (1973). It would not accept any deviation from those agreements.

Mr. HAMDAN (Lebanon) said that the report before the Council revealed how the Israeli administration used settlement policy to put pressure on Arab peace negotiators, postponing discussion of the issue in order to make economic and territorial gains under the pretext that the rightful owners of the land had relinquished their right to it. Rather than end its illegal policy, the Israeli Government had ignored requests for assistance from settlers wishing to leave occupied territory and had encouraged groups to occupy vacated settlements under the "Land of Israel First" scheme. By confiscating, expropriating or seizing agricultural land, the Israeli authorities had also deprived many Palestinian families of their only source of income. Archaeological and religious sites had been destroyed, as had the homes of countless Arab families. As a result, only 4 per cent of land in occupied East Jerusalem was available for potential use by the Palestinians.

Given that background, the report should have provided more detail about the economic and social impact of settlements on Palestinians and the Arab population of the Syrian Golan, particularly with regard to education, cultural identity, income levels, water rights and overall economic development. The Council itself should make its voice heard on the matter, demonstrating clear

political will to support the land-for-peace principle, in order to put an end to the suffering of the Palestinian and Arab people.

Mr. ABDELLATIF (Egypt) said that the ESCWA report should have said more about the situation of the Arab population in the occupied Syrian Golan and the economic and social repercussions of the settlement policy.

At the international level, many resolutions had been adopted calling for an end to settlements in the occupied territories and recognizing the inalienable right of the Palestinians and the Arab population of the Syrian Golan to enjoy the natural and economic resources there. In 1979, for example, the Security Council had adopted resolution 446 (1979) declaring that Israeli settlements had no legal validity and constituted a serious obstacle to peace. A year later, the Security Council had called for the protection of private and public property in the occupied territories. Despite those and other resolutions, Israel had flaunted international law, offering tax breaks and financial incentives as a way of encouraging further settlement.

Moreover, the Israeli Government had demonstrated bad faith with regard to transitional agreements on autonomy in the occupied territories, using them as a cover for further expropriation of Palestinian land. Under the pretext of constructing a security wall to protect a handful of settlers in Hebron, thousands of Palestinian families had been denied the freedom promised them in the accord of 1995. The Israel Government's failure to withdraw from that area, coupled with its ongoing violation of international accords, threatened to undermine the achievement of peace in the region. For that reason, the international community should intervene and insist that Israel should abide by peace agreements based on the principle of land for peace.

Mr. AALA (Observer for the Syrian Arab Republic) said that the Council's discussion reflected the international community's concern over the continuing Israeli occupation of Arab territories and its inhuman treatment of the Arabs, to whom the land belonged. Although the international community was trying to confirm the inalienable right of the Palestinian people and the Arabs of the Syrian Golan to sovereignty over their natural and other economic resources and regarded any infringement of that right as illegal, the facts indicated that Israel was continuing its settlement policies and intended to extend them.

Security Council resolution 446 (1979) recognized that Israeli settlement policy and practice had no legal validity and deemed it a serious obstruction to a just and lasting peace in the region. That position was reaffirmed in resolution 465 (1980), which underscored the need for measures for the protection of private and public land and property, and water resources, and affirmed the applicability of the Geneva Convention relative to the Protection of Civilian Persons in Time of War (1949) to the Arab territories occupied by Israel since 1967, including Jerusalem. In resolution 497 (1981) the Security Council had stated that Israel's decision to annex the Golan was null and void and had called upon Israel to withdraw.

Although the peace process that had begun at Madrid in 1991 was based on Security Council resolutions 242 (1967), 338 (1973) and 465 (1980) and the principle of land for peace, Israel had continued its settlements policy and so defied the will of the international community and challenged the whole peace process. The ESCWA report (A/51/135-E/1996/51, annex) showed that Israel had continued to expand in the occupied territories and that Israeli policies had adversely affected the Arab population: in the Syrian Golan, settlers were being offered financial and tax incentives by the Israeli authorities to expand the settlements and, under a plan to settle 1,000 families there in one year, 120 families had been settled in the course of only two months. That number indicated the extent of the suffering of Syrian citizens in the Golan. Not only had their land, agricultural produce, livestock and water been confiscated, but they were also obliged to pay exorbitant taxes, faced obstacles to marketing their goods and had no basic health care or emergency services. Their environment had been degraded by such Israeli practices as setting fire to forests, uprooting trees and dumping factory waste. Moreover, the Arab identity of the Syrian Golan was being jeopardized by the imposition of Israeli identity. Arab educational programmes had been replaced by Hebrew educational programmes and young Syrians were denied access to universities. That policy of cultural, economic and social pressure was aimed at imposing occupation and so constituted a serious violation of United Nations resolutions, of international law, of the Hague Convention IV of 1907 and of the Geneva Convention of 1949.

The Syrians of Golan and the Palestinians had suffered similar experiences as a result of the settlements policy, which had intensified. The area of land confiscated on various pretexts by Israeli authorities between July 1992 and

December 1995 amounted to more than 230,000 dunums, and the authorities continued to take steps against the Arab presence in the cities, imposing exorbitant taxes and confiscating Arab property to eliminate Arabs from Jerusalem.

Israel's occupation of Arab territory, its continued settlements policies and its attempts to deprive the peace process of any real content meant that it was challenging international law. The international community had to force Israel to desist from its aggressive policies, comply with the United Nations resolutions which stressed the inadmissibility of the acquisition of land by force, and withdraw from southern Lebanon and other territories occupied since 1967, including Jerusalem and the Syrian Golan, back to the 4 June 1967 line.

Mr. ABDELLAH (Tunisia) said that the ESCWA report omitted a number of facts which showed that Israel was pursuing an expansionist policy and scorned existing agreements and current negotiations between the Palestinian authorities and Israel. Israel had failed to withdraw from Hebron as it had solemnly promised to do and, given its stated and continued expansionist policies, there was ground to question Israel's intentions.

News reports showed that Israel intended to Judaize Jerusalem and rob it of its Arab identity, and to make negotiations on Jerusalem meaningless.

Many resolutions had been adopted by the General Assembly and the Security Council on the subject of settlements in the occupied territories. Security Council resolution 446 (1979) had recognized that the Israeli policy and practice of establishing settlements had no legal validity and constituted a serious obstruction to achieving a comprehensive, just and lasting peace in the Middle East. That position had been reaffirmed in resolution 465 (1980), which took into account the need for measures for the impartial protection of private and public land and property, and water resources, and affirmed the applicability of the Geneva Convention of 1949 to the Arab territories occupied by Israel since 1967, including Jerusalem. In 1980, the International Labour Conference had called for an end to settlement policies and for existing settlements to be dismantled.

General Assembly resolution 50/129 had underlined the negative economic and social effects of settlements in the occupied territories and the Syrian Golan, recalled the inalienable right of the Palestinian people and the population of the Syrian Golan to their natural and other economic resources, and regarded any

infringement of that right as illegal. However, in 1995 Israel had confiscated hundreds of acres of cultivated agricultural land in the West Bank, depriving hundreds of Palestinian families of their sole source of income.

Arab land was being confiscated for Israeli settlements with total disregard for the needs of the Palestinian people in the territories. Also, Israel's use of water in the occupied territories had adversely affected the living conditions of Palestinians. The inequitable distribution of water had been evident in a television broadcast aired in 1995, on water shortages in Hebron, in which images of desiccated fields owned by Palestinians had been shown alongside images of Israeli orchards. Given the political events in the region, the actual picture was even more sombre than that painted in the ESCWA report.

His delegation was uneasy in the face of the intransigence of Israel, which had defied international law and agreements and had continued to undermine the substance of the Israeli-Arab negotiations since Madrid, violating agreements and failing to comply with its commitments. The Cairo conference of June 1996 had reaffirmed that the Arabs, conversely, cherished peace and adhered to the principle of a final settlement, as there could be no order and no security without a just peace. A just peace involved returning territory to its owners and restoring dignity to the Palestinians. Such a peace would benefit the international community, which must assume the responsibility of inducing the Israeli Government to cease its policy of establishing settlements, dismantle existing settlements and accept the land-for-peace principle, thereby enabling the Middle East to enjoy peace and stability.

Mr. RAZA (Pakistan) remarked that the grave economic and social crisis faced by the Palestinian people as a result of Israeli policies had ominous implications for security in the region. As noted in the ESCWA report (A/51/135-E/1996/51, annex), the gravity of the situation was evident from the fact that, although the peace agreements had been signed, the occupied Palestinian and Arab people still did not exercise sovereignty over their land and water resources. Israeli settlements were still being built, land was still being appropriated and water was still being diverted for Israel's needs. The statistics on water resources demonstrated clearly the total injustice to which the Arab population of the occupied territories was being subjected.

The situation described in the ESCWA report predated the new Government; henceforward the situation was likely to deteriorate.

The Council had to bring Israel's settlement policy to the attention of the other principal organs of the Organization. It must point out that it was the settlement policy which had bred the socio-economic causes of conflict. Israel's arrogant politics of dispossession, which flouted all international norms and laws, boded ill for the peace process.

The meeting rose at 6.20 p.m.

UNITED
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Economic and Social Council

PROVISIONAL

E/1996/SR.35
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Substantive session for 1996

PROVISIONAL SUMMARY RECORD OF THE 35th MEETING

Held at Headquarters, New York,
on Tuesday, 16 July 1996, at 10 a.m.

President: Mr. GERVAIS (Côte d'Ivoire)

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The meeting was called to order at 10.25 a.m.

INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES (continued)

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (continued)

Draft resolution E/1996/L.22

Ms. LEBL (United States of America), introducing draft resolution E/1996/L.22 entitled "Strengthening collaboration between the United Nations development system and the Bretton Woods institutions", drew attention to paragraph 1. She pointed out that, although the draft resolution had some bearing on the topic of international cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities, it should have been submitted under the topic of coordination of the policies and activities of the specialized agencies and other bodies of the United Nations system.

The PRESIDENT said that the Council took note of the statement.

PERMANENT SOVEREIGNTY OVER NATIONAL RESOURCES IN THE OCCUPIED PALESTINIAN AND OTHER ARAB TERRITORIES (A/51/135-E/1996/51) (continued)

Mr. ZOUBI (Jordan) said that Jordan had been a staunch advocate of peace in the Middle East for many years, a position that culminated in the signing of the Treaty of Peace with Israel in October 1994. The Treaty had also outlined a model for regional cooperation in the Middle East. His Government believed that peace, characterized by mutual respect between the peoples of the region, was the only way forward. Such a peace should be comprehensive, just, permanent and conform to the provisions of international law.

With reference to the construction of Israeli settlements in Arab lands since 1967, both the Security Council and the General Assembly had adopted resolutions condemning the practice as a serious obstacle to peace. Despite the agreements that had been signed by Israel and the Palestine Liberation Organization, the continued existence of Israeli settlements posed a threat to security and stability in the region. His delegation urged Israel to

discontinue the confiscation of Arab land and the construction of settlements. The Economic and Social Council should keep the issue under consideration and make every effort to secure justice for the real owners of the confiscated land.

Mr. KAID (Observer for Yemen) said that the report of the Economic and Social Commission for Western Asia reflected the disappointment of the international community regarding Israel's expansionist policies, which took no account of the needs of the Arab population and ran counter to Security Council and General Assembly resolutions. As a result they constituted a serious obstacle to peace in the Middle East. To say that Arabs would ultimately adapt to the repercussions of Israeli policy was to do the Arab nation a great disservice.

Mr. TALBOT (Guyana) said that the negative economic and social consequences of Israeli occupation of Arab land continued to be a matter of concern for his delegation. Efforts to secure full respect for the Palestinian population should be intensified. The Economic and Social Council and other bodies in the United Nations system should continue to consider the issue of the occupied territories.

The meeting rose at 10.45 a.m.